

**Disposition Review Plan for Government Property
in the Possession of Contractors**

- What:** Special Tooling (ST), Special Test Equipment (STE), Industrial Plant Equipment (IPE), Other Plant Equipment (OPE), and Material (GFM and CAM)
- When:** Review begins now; all disposition completed by January 1, 2000
- Why:** To remove unneeded government property and reduce the associated costs of ownership
- Who:** Contractors, Contract Administration Offices (CAO's), and Property Managers/Owners
- How:** Review of utilization/disposition procedures for all government property, followed by a review of ST, STE, IPE, OPE, GFM, and CAM on all contracts where the total acquisition cost of this property exceeds \$3 million

Definitions:

Excess Property: Government property no longer required for performance of contract requirements.

Underutilized Property: Government property used less than 10 percent of available time on Government contracts when the item is available from other sources and there is no known Government requirement supporting greater usage.

Contractors:

1. Review current procedures for identification of excess and for conducting utilization reviews, and revise as necessary.
2. Apply procedures/standards to contracts with ST, STE, IPE, OPE, GFM, and CAM >\$3 million to ensure identification of all excess/underutilized government property. (Contract Administration Offices have list of contracts based on DD Form 1662 [DoD Property In The Custody of Contractors] submitted at the end of Fiscal Year 96).
3. Report excess items on inventory schedules to the CAO (or turn in to base supply or DRMS, as directed by the CAO).
4. When retention of underutilized items is not justified, follow Step 3 above.
5. Advise CAO when review of contract(s) is complete.

Contract Administration Offices:

1. Assist contractors with review of their procedures, as necessary, and approve revisions.
2. Resolve contractor questions.
3. Include disposition and utilization functions during property system analyses.
4. Receive inventory schedules (or turn-in documents) and process as appropriate (e.g., to Procuring Contracting Officer [PCO], PM, property owner, etc.).

5. Forward disposition instructions to the contractor after screening.
6. Follow up when disposition decisions are not forthcoming from Property Managers/Owners or PCO.
7. Use Management Councils as applicable to maintain focus on this review.
8. Maintain information on acquisition value of property reported as excess during this review; also on sales proceeds if available.

Program Office/Property Managers/PCO:

1. Ensure procedures are in place to review reports of excess/underutilized property.
2. Work funding issues relative to storage, demilitarization, environmental requirements, etc.
3. Provide disposition or shipping instructions to the CAO within 60 days of receipt of inventory schedules.
4. Approve funded storage contracts when there is justification for retention of property at the contractors' location.